A Workforce Strategy for Alberta's
Tourism and Hospitality Industry

Building and Educating
Tomorrow's Workforce
Alberta's 10 Year Strategy

FOREWORD

A Workforce Strategy for Alberta's Tourism and Hospitality Industry was developed collaboratively with government and stakeholders from the tourism and hospitality industry. Invited industry representatives participated in focus groups to develop the initial strategy draft. Subsequent meetings were held with industry sector associations to provide further input, validation and identify lead contributors for the priority actions before finalizing this document.

We would like to acknowledge the contributions of the following participating organizations:

- Alberta Hotel and Lodging Association (AHLA)
- Boston Pizza
- Canadian Federation of Independent Business (CFIB)
- Canadian Restaurant and Foodservices Association (CRFA)
- Decore Hotels
- Fairmont Hotels and Resorts
- Lakeland College
- McDonald's Restaurants
- Tim Hortons (TDL Group)
- Tourism Calgary
- West Edmonton Mall

BACKGROUND

Alberta is a leader in economic growth in Canada and the world. However, Alberta is faced with labour and skill shortages, which if not addressed, will constrain our province's continued economic growth and prosperity.

Building and Educating Tomorrow's Workforce (BETW) is Alberta's 10 year labour force development strategy. This strategy identifies 17 government-led priority actions to ensure Alberta has more workers, better trained people and innovative workplaces. These government actions address labour force issues across several industry sectors.

Meeting Alberta's labour force challenges over the next decade requires the participation and involvement of all stakeholders. Government cannot do it alone. Stakeholders include industry, labour groups, professional organizations, volunteer and community agencies, education and training providers, Aboriginal groups and where appropriate, other orders of government. Each stakeholder has an important role to play. Strong collaboration and partnerships between government and various stakeholder groups is key to successful implementation of this strategy.

INDUSTRY WORKFORCE STRATEGIES

While there are many common labour force pressures across industry sectors in Alberta, some industries are feeling certain pressures more acutely than others. Actions are needed to address the unique labour force issues and challenges of each industry sector.

Industry stakeholders are working with the Alberta government to develop industry-specific workforce development strategies. These strategies will provide industry associations and individual employers with a framework of industry-led actions to build the labour force needed to support continued growth over the next 10 years. As circumstances and priorities shift, it can be expected that industry will revisit their strategy to ensure its relevancy.

Industry is leading the implementation of strategy actions. High levels of co-operation and collaboration among stakeholders within an industry sector is required for successful implementation of the strategies. Creative solutions and a synergistic approach to implementing initiatives work best when stakeholders come together in partnership. Therefore, government is working with industry to bring stakeholders together to work on common projects and initiatives.

Albertans are the long-term beneficiaries of this important collaboration to build Alberta's workforce over the next decade.

PROFILE OF ALBERTA'S TOURISM AND HOSPITALITY INDUSTRY

Industry Definition

Alberta's tourism and hospitality industry is broad. It includes establishments that provide short-term lodging, food and beverage, recreation and entertainment, travel and transportation services throughout the province.

Importance to the Provincial Economy

The tourism and hospitality industry is an important contributor to Alberta's economy and is identified as a priority value-added sector in the province's economic development strategy, *Securing Tomorrow's Prosperity.* In 2006, tourism revenues were estimated to be in the order of $5.3 billion.[1]

Businesses in Alberta's tourism and hospitality industry range from small, family-run establishments to properties in large, international hotel and resort chains. In the accommodation and food services segment – the largest component of the industry -- small and medium-sized businesses employing less than 50 employees account for a significant share of businesses (90 per cent).[2] The tourism industry is also an important source of employment in rural communities.

Employment

Approximately 10 per cent of Alberta's workforce – over 180,000 people – work in the tourism and hospitality industry.[3] The accommodation and food services segment accounts for a significant share – approximately 60 per cent – of total industry employment.

Part-time and seasonal work is more prevalent in the tourism and hospitality industry than in many other industries. Nationally, approximately 38 per cent of those working in the industry work full-time, year-round, compared to 54 per cent of workers in all industries.[4]

The seasonal nature of some jobs in the tourism and hospitality industry results in periods of unemployment for some workers. The unemployment rate for workers in the accommodation and food services segment of the industry was 4.4 per cent in 2006, considerably higher than the provincial average unemployment rate of 3.4 per cent that year.[5]

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[1] Statistics Canada and Alberta Tourism, Parks, Recreation and Culture
[2] *Canadian Business Patterns – Business Register March 2006*, Statistics Canada
[3] *Total Tourism Sector Employment in Canada: 2004 Update – Executive Summary*, Canadian Tourism Human Resource Council, March 2005
[4] Ibid
[5] *Labour Force Survey 2006*, Statistics Canada

Although the industry's unemployment rate might not suggest a severe labour shortage situation, businesses are facing staff shortages, especially during peak tourism seasons and for the following occupations: food service supervisors, cooks, food counter attendants and kitchen helpers, food and beverage servers, and hotel front desk agents.[6] Employers in this sector also report a critical need for room/housekeeping attendants due to the current shortage.

The tourism and hospitality industry relies heavily on youth for its workforce. While workers between the ages of 15 and 24 account for 18 per cent of the overall provincial workforce, they account for 47 per cent of workers in accommodation and food services.[7] For many young Albertans, their first work experience is in the tourism and hospitality industry. The part-time and seasonal work opportunities in the industry appeals to youth combining work and secondary or post-secondary studies. The industry also reports that a large number of immigrants access these jobs as an entry-point into the provincial labour market.

Proportionately more women than men work in the accommodation and food services segment of the industry. Forty-five per cent of the provincial workforce is female, while approximately 62 per cent of accommodation and food services workers are female.[8] The industry's part-time work opportunities are attractive to many women wanting to balance work with other obligations and interests.

Wages for many jobs in the tourism and hospitality industry fall below the average wage in Alberta. However, the industry is a good entry point for first-time workers joining the workforce and allows individuals only seeking supplemental income the flexibility to work part-time. Due to the many part-time entry-level positions in the industry, the average wage in accommodation and food services was almost $12 in 2006 – roughly 43 per cent lower than the provincial average hourly wage of just over $21.[9]

The Alberta average wage in this category, however, has been rising considerably over the last five years. In comparison to the rest of Canada, Alberta reported the highest provincial average wage in accommodation and food services at almost $12 per hour in 2006. In 2002 Alberta ranked fourth in this wage rate behind British Columbia, Ontario and Quebec.[10]

In the food services sub-sector the hourly wage is dependant on whether the worker is employed in the quick service (fast-food) versus full-service restaurants, with wages being higher in the latter. For individuals looking for rewarding long-term career opportunities, the average wage is also higher in the skilled occupations (i.e. cooks, hotel managers). In addition, many workers in the industry are able to supplement their wages with tips and enjoy perks such as meals, accommodation and travel at reduced costs.

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[6] *Top 50 Occupations in Alberta by Vacancy Rate, 2005 Alberta Wage and Salary Survey*, Alberta Human Resources and Employment
[7] *Labour Force Survey 2006*, Statistics Canada
[8] *Ibid*
[9] *Ibid*
[10] *Ibid*

Outlook

Alberta's tourism and hospitality industry is expected to experience strong growth over the next 10 years. Employment in the accommodation and food services segment of the industry is expected to grow on average by 2.2 per cent annually over the next five years and generate almost 10,913 new jobs by 2011.[11]

Factors that bode well for the future of Alberta's tourism and hospitality industry include the rising disposable income levels in the province, the expanding market segment of affluent middle-aged Albertans and tourists, and the emergence of new tourist markets such as China.[12] However, Canada's strong dollar, continued high fuel costs and the new U.S. border requirements might temper industry growth to some extent. The industry is also vulnerable to shocks, for example from terrorist and communicable disease threats.

Challenges and Issues

Alberta's tourism and hospitality industry is currently facing a number of significant labour force challenges. These include:

- **Strong competition for entry-level workers.** Businesses in Alberta's tourism and hospitality industry are facing fierce competition for entry-level workers. Some employers in the industry have been able to increase wages and benefits to attract and keep workers and pass along these increases to customers without loosing market share. Others are coping by putting extra pressure on existing staff or cutting back on their hours of operation.

- **Availability of youth workers.** The tourism and hospitality industry relies heavily on youth workers, which presents significant challenges for the industry. The accommodation and food services segment of the industry is expected to grow by 2.2 per cent annually over the next five years. However, Alberta's population, between the ages of 15 and 24, is projected to grow at the much lower annual rate of 0.9 per cent.[13] The industry is highly labour intensive and industry growth will be constrained without an increased supply of workers from outside the traditional youth labour pool.

- **Declining labour force participation of younger women in Alberta.** Women account for a relatively large proportion of Alberta's tourism and hospitality industry workforce. The declining labour force participation of younger women with children in Alberta[14] could intensify the industry's labour supply challenges.

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[11] *Alberta Modified Canadian Occupational Projection System Outlook 2006-2011*, Alberta Employment, Immigration and Industry

[12] *China and Canada are currently negotiating terms for Approved Destination Status*

[13] *Alberta Regional Population Forecast 2006-2011*, Alberta Human Resources and Employment, August 2006

[14] *The labour force participation rate for women with at least one child under the age of six years in Alberta fell by a full percentage point to 64.9 per cent in 2005. This is three points lower than the 1999 participation rate and 10 points below the rates in Quebec and Atlantic Canada. Canadian Economic Observer*, Statistics Canada, June 2006

- **Attraction of workers from under-represented groups.** With the slowing growth rate of Alberta's youth population and declining participation of younger women in Alberta's labour market, tourism and hospitality businesses increasingly need to look to other potential pools of workers, such as mature workers, persons with disabilities, Aboriginals, immigrants and income support clients, to meet their labour force needs. However, there are barriers and unique challenges associated with the recruitment and retention of workers from these groups. For example:
  - some pension regulations are a disincentive to those working part-time and receiving a pension;
  - accommodating workers with disabilities at workplaces requires investments in specialized equipment and training;
  - more effective approaches are needed to integrate Aboriginal workers into their workplaces, and
  - integrating some immigrants into workplaces requires investments in English language training.

- **Immigration programs are unresponsive to industry needs.** Current immigration legislation, policies and processes are limiting the potential supply of workers to meet the needs of Alberta's tourism and hospitality industry. Canada's immigration policies favour skilled workers over lower-skilled workers who are sufficiently qualified for many jobs in the tourism and hospitality industry. The Provincial Nominee Program (PNP) also favours higher skilled workers and needs to be expanded to include lower-skilled immigrants to meet the industry's needs.

  Canada's temporary foreign worker program is also unresponsive to the needs of the industry. Many employers simply do not have the financial resources or time to devote to the complex application process required to bring in temporary foreign workers.

- **High staff turnover rates.** The tourism and hospitality sector has historically had a relatively high staff turnover rate based on the structural nature of the industry (i.e. workforce demographics and seasonal work). Youth employed in the sector consider their sevice positions as stepping stones in their career paths. The turnover rate for this sector is difficult to calculate since many youth workers, who go back to school and return to the same employer the following summer, are included in the calculation. This may distort the real turnover rate.

  Many employers have experienced an increase in their staff turnover rate in recent years, in both entry-level positions and higher skilled positions such as cooks. Factors contributing to the industry's high staff turnover rate include the lure of higher wages in other industries, an apparent weakening in work ethic among some youth, and the high expectations of some youth regarding work environments and advancement opportunities.

High staff turnover rates are raising the importance of supervisory skills and human resource management practices in the industry. The tourism and hospitality sector as a service industry is labour intensive. Therefore, there is a critical need for good human resources practices and leadership competencies to support and manage the workforce. However, it is challenging to develop human resource capacity in the tourism and hospitality industry since the sector is characterized by small and medium-sized companies with limited resources to support this function.

- **Shortage of affordable housing.** There is a shortage of affordable housing in many communities in Alberta, including key tourist destinations such as Banff, Canmore and Jasper. This is contributing to the challenge of recruiting and retaining workers. The situation is even more acute in remote or rural communities such as Grande Prairie, Hinton and Fort McMurray. As the Alberta economy continues to grow, affordable housing is also becoming an issue in urban centres such as Calgary and Edmonton.

INDUSTRY PRIORITY ACTIONS

Industry has lead responsibility for implementing the priority actions in the tourism and hospitality workforce strategy. Industry associations working in this sector are best positioned to address the labour force issues and challenges experienced by this sector.

A number of organizations within the tourism and hospitality sector have indicated their willingness to be a contributor to one or more priority actions. These organizations are involved in either activities or projects which contribute to one or more priority actions. They include:

- Alberta Hotel and Lodging Association (AHLA)
- Canadian Federation of Independent Business (CFIB)
- Canadian Restaurant and Foodservices Association (CRFA)

INFORM

Information sharing will play a vital role in addressing labour force pressures in Alberta's tourism and hospitality industry. The Inform theme focuses on increased access to information to support informed decision-making on the part of employers, workers, youth entering the workforce and individuals considering employment in this industry.

1.1 Inform Albertans about the magnitude of the labour supply issues facing the tourism and hospitality industry to build public understanding and support for industry initiatives to address labour needs (i.e. bringing in temporary foreign workers).

AHLA, CFIB, CRFA

1.2 Develop a strategy to promote employment in the tourism and hospitality industry to different target groups of potential employees, including immigrants, Aboriginals, people with disabilities, semi-retired people, women with children at home and students. Emphasize the benefits of tourism and hospitality jobs for different target groups (i.e. opportunities for social interaction and experience sharing for semi-retired people; flexible work hours and supplementary income opportunities for students and stay-at-home parents; fun and flexible work environments for youth).

AHLA, CRFA

1.3 Encourage increased participation of high school students in the tourism and hospitality industry by developing and implementing targeted marketing campaigns aimed at high-school students, their parents and school counsellors. Highlight:

- the non-monetary benefits of working in the industry (i.e. fun work environments, opportunities to socialize);
- transferable skills that can be acquired through employment in the sector (i.e. communication skills, customer service skills), and
- career paths in tourism and hospitality (i.e. entry-level positions that can lead to supervisory and management jobs).

AHLA, CRFA

1.4 Promote and share industry best practices related to:

- attraction and retention (i.e. managing a diverse labour force, recruiting foreign workers, etc.), and
- innovative and improved technology, operational approaches, processes and practices among industry employers to make the tourism and hospitality industry an industry of choice (i.e. HR Audit).

AHLA, CRFA

1.5 Promote the existing resources available to support recruitment of foreign workers (i.e. resources available from the AHLA such as its Temporary Foreign Worker Toolkit and the CRFA, Edmonton Economic Development and Alberta Employment, Immigration and Industry websites).

AHLA, CRFA

1.6 Conduct or review existing research to better understand the reasons why people choose not to enter or decide to leave the tourism and hospitality industry. This research will help explain the labour supply issues and build public understanding/support of industry initiatives.

AHLA, CRFA

ATTRACT

This theme relates to attracting workers from outside Alberta and Canada to meet some of the demand for labour in Alberta's tourism and hospitality industry.

2.1 Propose incentives to the Employment Insurance (EI) program to encourage workers in areas of high unemployment to move to areas experiencing labour shortages (i.e. supports for travel to investigate employment opportunities, financial supports for re-locating and settling in new communities, etc.)

CRFA

2.2 Propose changes to temporary foreign worker policies to better meet the needs of the tourism and hospitality industry and workers, along with removing remaining barriers for lower skilled workers (i.e. allow workers to work for more than one employer, work additional hours if they choose, apply for permanent residency, expand policies to allow less skilled workers to bring in their families, etc.).

AHLA, CFIB, CRFA

2.3 Propose the modification of Canada's current immigration points system to remove the barriers for lower skilled workers willing to work in industry sectors experiencing a labour shortage.

AHLA, CFIB, CRFA

2.4 Propose further expansion of the Provincial Nominee Program, allocating more spaces for less-skilled immigrants to fill jobs in the tourism and hospitality industry.

AHLA, CFIB, CRFA

2.5 Enhance and/or promote existing youth work and travel programs in other parts of Canada and other countries.

AHLA, CRFA

2.6 Partner with other industry sectors (i.e. oil and gas, construction, manufacturing, military) on recruitment campaigns for attracting workers to Alberta. Promote opportunities for other family members (i.e. spouses, teenagers) to earn supplemental income in Alberta's tourism and hospitality industry.

CRFA

2.7 Advocate with municipalities and the provincial government to expand affordable housing, specifically in high-growth communities so unemployed workers from other parts of Canada can afford to live and work in Alberta.

AHLA, CRFA

2.8 Develop and implement an advocacy strategy to encourage credential recognition changes to make it easier for businesses in the tourism and hospitality industry to recruit needed out-of-province and out-of-country workers (i.e. cooks).

AHLA, CRFA

DEVELOP A HIGH PERFORMANCE WORKFORCE

The Develop theme has two components. The first focuses on building Alberta's tourism and hospitality workforce through education and training.

3.1 Develop a strategy to strengthen human resource management practices throughout Alberta's tourism and hospitality industry, including:

- create a forum for sharing human resource ideas and best practices;
- support initiatives that can assist companies assess the effectiveness of their human resource practices and take the necessary steps to address deficiencies;
- encourage and promote the importance of developing management supervisory skills (i.e. soft skills needed to improve workforce attraction and retention), and
- develop and deliver training in effective practices for integrating mature workers, immigrants, persons with disabilities, Aboriginals, etc. into workplaces.

AHLA, CRFA

3.2 Increase collaboration between industry and education providers to develop educational and workplace-based training programs that meet industry's needs.

AHLA, CRFA

3.3 Promote increased employer investment in employee training and development. Increase awareness and use of existing programs and scholarships that provide financial support for education and training.

AHLA

3.4 Encourage increased employer participation and investment in the apprenticeship and industry training system to increase the supply of workers in the tourism and hospitality industry with relevant trades certification (i.e. cooks).

CRFA

3.5 Advocate with Advanced Education and Technology for expansion and strengthening of tourism studies in high schools to promote tourism and hospitality as a career (i.e. provide high school credits for tourism work experience/practicum, review content of Tourism Essentials Certification for possible integration into curriculum similar to British Columbia's updated tourism courses).

AHLA, CRFA

3.6 Propose increasing the capacity in tourism and hospitality training programs at post-secondary institutions, especially for occupations experiencing a shortage (i.e. cooks).

CRFA

3.7 Encourage the expansion of formal and informal English as a Second Language (ESL) training (including the federally funded Language Instruction for Newcomers to Canada (LINC) program) for workers in Alberta's tourism and hospitality industry.

CRFA

3.8 Develop appropriate training materials for immigrants working in Alberta's tourism and hospitality industry (i.e. materials that take into account the diverse linguistic and cultural backgrounds of immigrant workers).

CRFA

DEVELOP A HIGH PERFORMANCE WORK ENVIRONMENT

The second component of the Develop theme relates to developing high performance work environments in Alberta's tourism and hospitality industry. It includes improving workplaces and work arrangements, increasing capital investment and technology adoption, and improving business processes.

3.9 Promote industry standards for tourism and hospitality service delivery to increase consistency of service excellence across the industry.

AHLA, CRFA

3.10 Identify practices that may benefit from adopting new technologies or improved processes. Promote these technologies and improved processes within the tourism and hospitality industry.

AHLA, CRFA

3.11 Propose regulatory changes that could increase productivity and flexibility in the industry (e.g. reduce minimum call-in time).

AHLA, CFIB, CRFA

3.12 Raise awareness in the tourism and hospitality industry of workplace health and safety standards and best practices.

AHLA, CRFA

RETAIN

The Retain theme relates to enhancing the attractiveness of working in Alberta's tourism and hospitality industry so that workers – including mature workers, immigrants, Aboriginals and those who may experience difficulty maintaining employment – continue to work in the industry.

4.1 Encourage inclusive workplaces that respect human rights and welcome cultural, generational and religious diversity in Alberta's tourism and hospitality industry (i.e. welcoming workplaces).

AHLA, CRFA

4.2 Work with community organizations and other partners to provide improved job maintenance supports to Aboriginal peoples, immigrants and other under-represented labour groups (i.e. settlement services, ESL support, Parent Link Centres, community child care programs, affordable housing, etc.).

AHLA

4.3 Encourage the continued contribution of mature workers in the industry (i.e. offering part-time or flexible work arrangements, involving mature workers in mentoring and training, etc.).

CRFA

4.4 Lobby for the removal of disincentives in pension and income tax provisions that discourage mature workers from continuing to work after retirement.

CFIB, CRFA

4.5 Lobby for increased incentives for students to combine education and employment (i.e. provide more opportunities for students to get course credits for work experience, increase earnings exceptions for students receiving financial assistance).

CRFA

4.6 Promote the adoption and implementation of comprehensive Human Resources (HR) practices (i.e. apply systematic business approach to HR skills, develop Top 10 HR Practices for the Workplace, emphasize HR as a major cost item for most sector employers and as a competitive advantage, showcase success stories).

AHLA, CRFA

4.7 Increase recognition of companies in the tourism and hospitality industry with successful worker retention strategies (i.e. Employer of Choice Award).

AHLA

MOVING FORWARD

Lead industry associations will work with their members to review the strategy actions and identify those they will focus on immediately. The Government of Alberta will support industry in its implementation of the strategy by identifying opportunities for collaboration across industries. This will enhance effectiveness and efficiency, and allow government to keep abreast of emerging issues and take action as required.

Challenges that industry leads may face in implementation include:

- assigning priorities to actions;
- engaging all industry members and other stakeholders and securing their commitment to collaborate in moving forward with specific actions;
- avoiding fragmentation and duplication of implementation activities within their industry and other industries;
- collaborating with stakeholders in other industry sectors on cross-sector initiatives;
- monitoring labour market conditions – within their industry, the province, and in some cases, nationally and globally – and adjusting strategy actions and priorities to respond to changing circumstances, and
- keeping the momentum going on the implementation of strategy actions over the next decade.

Industry and government will also work together to monitor the success of this strategy over the next 10 years. Industry leads are asked to share information about their achievements and learnings on effective practices for workforce development. By industry and government working together, Alberta will continue to excel and all industries will benefit.